

ALTERNATIVE PLAN SUBMITTAL SHEET

School Administrative Unit Submitting Alternative Plan:

- Bangor School Department

Contact Information:

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Date Plan Submitted by SAU: March 31, 2008 (revised)

The intent to submit an alternative plan has been approved by the Commissioner in the approval of the Notice of Intent?

☒ YES

☐ NO

(If NO, please explain.)

Alternative Plan Cover Sheet

(Please attach Alternative Plan as Exhibit A)

Plan Requirements				
Item	Complete	In Progress	Not Yet Started	Need Assistance ¹
Plan addresses how the SAU will reorganize administrative functions, duties and noninstructional personnel so that projected expenditures of RSU in fiscal 2008-2009 for the following areas will not have an adverse impact on the instructional program.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
system administration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
special education	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
facilities and maintenance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plan addresses how cost savings will be achieved in fiscal 2008-2009 for the above four areas.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parameters for Plan Development				
Enrollment meets requirements (2,500 except where circumstances justify an exception)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join an RSU	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Includes at least one publicly supported high school	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consistent with policies set forth in section 1451	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No displacement of teachers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No displacement of students	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No closures of schools existing or operating during school year immediately preceding reorganization, except as permitted under section 1512	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Collaborative Agreements				
	Yes	No		
Does your plan currently include information/documentation on collaborative agreements? (not required, but encouraged)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

¹ Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on the next page.

Actual number of students for which the SAU is fiscally responsible:

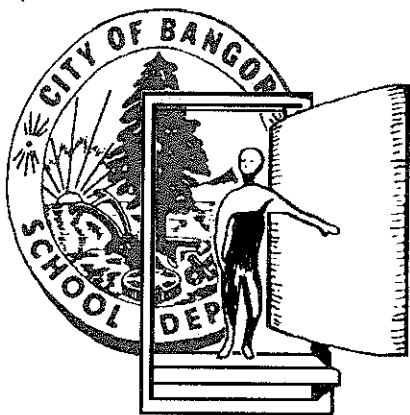
Actual number of students for which the SAU is fiscally responsible:

Exception	Exception Claimed in Plan	Documentation Provided? (Please attach as Exhibit B).	
		Yes	No
Geography	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demographics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Population Density	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Unique Circumstances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assistance Needs –

Please use this section to describe your needs for assistance and from whom you need assistance.

[illegible]



BANGOR SCHOOL DEPARTMENT

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March 31, 2008

Susan A. Gendron, Commissioner
Department of Education
23 State House Station
Augusta ME 04333

Dear Commissioner Gendron,

Please find attached the revised Alternative Plan for Bangor School Department as requested.

Sincerely yours,

Robert Ervin, Ed.D.
Superintendent of Schools

Bangor School Department
Alternative Plan (Revised)
March 24, 2007

Current Status under Maine's Consolidation Law

On August 31, 2007, the Bangor School Department filed its Notice of Intent to submit an Alternative Plan as a school unit with over resident 2500 pupils. The Intent was approved with the proviso that the school department meet with the Commissioner of Education and the Glenburn School Department to discuss possible consolidation. That meeting was held on October 15, 2007 with the conclusion that consolidation was not profitable. The Commissioner approved the designation of the Bangor School Department as a single Municipal School Unit.

This designation follows a thorough examination of potential regional consolidation that started in March 2007 and concluded with numerous meetings with neighboring RPC members and the city council. Both fiscal and educational factors were evaluated in depth.

Priorities and Efficiencies

The per pupil 2005-06 Financial Indicators for Bangor, published by the Maine Department of Education, tell the story of school department priorities and efficiency. First, overall local expenditures (\$8983) are below the state average (\$9356). Second, system administration (\$213) is well under the state average (\$371). In spite of the significant special education population that is served, the school department expenditures are at the state average (\$1275). Most importantly, the school takes the per pupil funds that are saved in non-instructional cost centers and invests them in instruction and the support of instruction. And within these categories, the greater amount of funding goes to elementary education. The priority of a good school start has been a longstanding ("Instructional Plan for the Year 2000" and "Beyond 2000") strategic goal of the school department. Furthermore, the turnover in the student population is addressed by investment in programs that support instruction for accelerated achievement. Achievement reports at all levels support the local fiscal approach.

The Bangor School Committee and its administration are well aware of the balance between educational excellence and fiscal responsibility. Whether through creative purchasing, energy conservation, regional programming or efficiency software, the school department gains significant short and long term savings every year. The following serve as examples:

A. Fiscal Relationship with the City of Bangor

In recent years, the Bangor School Department and the City have recognized the value of shared business services as well as mutual assistance. The result has been a significant savings in money for both sides that translates into reduced property taxes.

1. Business services. Formerly creating a duplication of municipal labor, the City now "keeps the checkbook," but the school department conducts all other fiscal operations. The working relationship results in very few problems or errors with obvious savings

through reduced personnel. As part of our relationship, the City leases central administration space to the school department at \$7 per square foot including utilities. Similar space rented locally would be \$13 per square foot plus utilities. The side by side municipal offices present a daily opportunity to address shared projects and problems efficiently and amicably.

2. **Purchasing.** Where combining purchases results in savings, there is close collaboration between the school department and city government. For example, a shared evaluation of the futures market led to the timely purchase of heating oil in 2007 at \$1.82 per gallon, down from the \$2.05 per gallon of a year earlier, for an \$85,000 savings. In the previous year, uncoordinated decision-making resulted in a costly delay. In another area, the Bangor School Department purchases municipal services such as snowplowing and sanding at low cost through the City. Now at \$18,000, our "bid" cost would be over \$50,000 as determined by the experience of neighboring school units. In similar manner, the City provides all grounds maintenance, including athletic facilities, far under the expense of private contracting. Even in such minor services as the purchase and distribution of wood chips on playgrounds, the City has saved the school department money. In return, the school department pays nominal fees that keep city services healthy, or sister departments such as the Bangor Parks and Recreation Department use school facilities, without charge, for community activities.
3. **Insurance.** The Bangor School Department and City share the expense of workers compensation insurance through shared self-insurance. Compared to the expense of a private policy last year, our savings were \$100,000.
4. In the larger sense, the school department annually reviews expense and designs a budget that incorporates savings. Combined with the effect of LD1, property tax rates for education and the city have steadily dropped.

<u>FY</u>	<u>Education Rate</u>	<u>Full Local Rate</u>
2002	12.20	23.75
2003	12.01	23.60
2004	12.39	23.35
2005	11.72	22.05
2006	10.49	20.40
2007	8.87	18.80

The Bangor School Department enjoys a profitable relationship with its municipal partners. Through agreements and shared services, the school department annually saves tens of thousands of dollars that would otherwise go to more expensive private options. These savings and efficiencies have existed for some years explaining the comparatively low expense of some budget divisions.

B. Energy Conservation

The school department is actively pursuing energy efficiency in all buildings.

1. The Bangor School Department is in the third year of a complete replacement of windows at our largest energy consumer, Bangor High School. In the past three years heating oil consumption at the school has dropped from 114,948 gallons to 83,294 gallons despite an increase of thirty thousand square feet in new construction eight years ago. It is not possible to have immediate dollar reductions in maintenance lines and also invest in energy conservation. Energy conservation investments delay, but guarantee, savings.
2. All schools have new or substantially upgraded boilers. Major problems in heat circulation have been solved in older buildings. Planned upgrades will bring even greater efficiency.
3. Lighting has been replaced in all schools, especially in areas of high use such as gymnasiums. Estimated savings from year ending Oct 31, 2006 compared to year ending Oct.31, 2007 are 191,000 KWH or nearly \$19,000.
4. In an effort to bring greater savings, the school department has partnered with the City and Honeywell Inc. in a complete energy audit to identify deficiencies and build conservation measures. In addition to this effort, we continue to evaluate an aging HVAC system and recently found poorly functioning components as part of stepped-up maintenance. Greater savings are probable.

C. Special Education

With nearly 600 IDEIA identified students and over 250 Section 504 Plans, the administration of the lengthy and paper-driven process of identification and instructional planning is costly. The school department has developed software that expedites the process and quantifies data. While our attempts to maintain currency are frustrated by the confusion, imprecision, and ambiguity of state and federal definitions and requirements, savings will be realized in the year ahead by reduced numbers of PET "coordinators." However, it must be made crystal clear that the Bangor School Department has a very high caliber special education program. It attracts desperate parents with increasingly more complicated children. At the same time, the department creates classroom solutions to autism, a burgeoning issue. Bangor has 62 autistic children with more coming.

Founded in 1978, the Southern Penobscot Regional Program for Exceptional Children continues to provide cost-effective programming for students with significant disabilities. If required to stay in their home school or transported to highly restrictive out-of-district programs, local expense would be significant. Through shared governance and programming, children can stay close to home and receive appropriate instruction at a reasonable cost.

A number of children with autism are exhibiting extreme behaviors, resulting in placements in a regional day treatment program. These placements are costly (\$35,000 - \$40,000 per year). The Bangor School Department anticipates savings may be generated through the development of a focused behavior stabilization classroom for children with autism at the K-3 level. This program will be staffed by skilled professional and paraprofessional staff, will include procedures for

physical restraint and the active support of a school psychological service provider who possesses a strong background in autism and challenging behavior.

The Bangor School Department has a number of occupational therapists, speech therapists, physical therapists, and school psychological service providers working under individual service contracts. Giving consideration to the creation of permanent positions covered by the teachers' contract, and creating teacher contract positions for full-time positions consolidated from several contracted positions will create budget savings. During budget deliberations, comparative costs will be generated, and discussion of cost-savings through the creation of full time positions will be completed.

Data. Given changes in state accounting, undetermined calculations on the "281" report, and the effect of the inclusion of State Agency Client expenditures, actual savings cannot be figured. However, overall expense is certain to be higher. The proposed FY09 special education budget is 6.5% higher (or \$330,000) than last year. This increase is due primarily to contractual obligations, but given the increasing complexity of children with disabilities, this expense cannot be avoided without a strong adverse educational effect on the education of the special education population of 581 pupils.

D. Transportation

The school department has engaged in an examination of student transportation in the past two years that has and will produce savings. In a large school department offering extensive after-school and weekend activities, especially in athletics, the expense of transportation is significant. In the current year, the administrative policy for the use of coach versus school buses has been revised with immediate savings (through February \$30,000).

More significantly, the current contract with the Cyr Bus Company requires the use of software to improve routing and scheduling. While the school department is well under the state per mile expense figures, additional savings appear possible.

Data. The actual FY08 budget amount for transporting student to and from school was \$1,320,000 (not \$1,240,000) due to the addition of State Agency client expense. The budgeted amount for FY09 is \$1,350,000 or an increase of 2.25%, but this amount includes \$125,000 in bus "monitors" for special education children that may more properly reside in another budget line. This minimal increase is possible in spite of a 50% rise in the cost of 90,000 gallons of purchased diesel fuel (up \$90,000) but with a curtailment in the number of daily bus runs (saving \$70,000). Additional improved routing and consolidated stops will provide greater, though undetermined, savings in the year ahead. In light of the rise in energy costs, full savings are difficult to project but overall expenditure will likely remain flat year to year keeping the per mile cost constant (in spite of the state EPS reduction).

E. Facilities and Maintenance

Taking into account the energy conservation measures earlier mentioned, savings in these areas have been realized. Efficiency is developed by a well qualified maintenance team that covers

nearly every aspect of building repair and improvement. Very few private contracts are required. There is no better example than Bangor High School, a well maintained building built in 1964 for 1500 students that refuses to age. Years of careful attention will save the city and state the significant expense of new construction.

Data. The MDOE analysis of indicates 100% EPS calculations for FY08 are nearly the same as local expenditure planning. The FY09 budget is \$4,800,814 or \$491,221 more than the current year. Deducting the dramatic increase in heating fuel cost of \$313,000 and a rise of \$20,000 in snow removal, the budget increases \$158,221 or 3.7%. If energy conservation projects are removed (high school windows at \$96,000 and upgraded boilers at \$190,000), the facilities/maintenance line would drop well under EPS levels, but this action would create a long term cost.

System Administration

System administration costs have been historically low in the Bangor School Department. Given the size of the school department both in terms of personnel and business transactions, the efficiency is obvious. Per pupil figures have been well under state figures prior to the insertion of allocations into the FY09 budget process that are based on spurious research by GrowSmart.

Data: Nevertheless, System Administration expenditure will actually drop from FY08 to FY09, though it cannot meet the EPS projection and still have a functioning administration. This reduction will occur in spite of the required insertion of technology administration into the division line. The Bangor School Department is well aware from comparative analysis that its division personnel numbers are well below school districts of comparable size and welcomes specific suggestions on ways to create efficiency and improve savings.

The Impact of Projected Expenditures in 2008-2009.

The school department will continue to examine all non-instructional expense for increased saving. Developing efficiencies will require continuous adjustment, not sweeping change. The administrative organization and costs of similar school units have been examined, and our expenditure "model" has established a delicate balance between frugality and student achievement. It is either naïve or callous to believe that continuing to shrink "non-instructional" expenditures will not have an adverse on instruction and learning. In fact, forced curtailments within EPS may present compromises in fundamental public promises such as the safety of children.

Published per pupil figures and assessment data indicate that the Bangor School Department allocates resources prudently for safe, well-maintained schools that support instruction for academic excellence, but there is emerging reason to be concerned about the future.

The school does anticipate increased specific savings in the year ahead, but it is uncertain whether net savings, in the face of pending teacher negotiations, increased energy costs, and the

provision for children with disabilities, will materialize. The school department continues its goal to conserve local funding.

As earlier stated, the history of local budget construction and the record of expenditures emphasize the instruction of all children as the first priority of the school department. In fact, an analysis of MDOE financial data shows that savings in recent years realized by being below average state expenditures in "non-instructional" areas have been invested in the classroom.